

**REPORT OF THE AUDIT OF THE
GREEN COUNTY
FISCAL COURT**

**For The Fiscal Year Ended
June 30, 2015**



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
www.auditor.ky.gov**

**209 ST. CLAIR STREET
FRANKFORT, KY 40601-1817
TELEPHONE (502) 564-5841
FACSIMILE (502) 564-2912**

EXECUTIVE SUMMARY
AUDIT OF THE
GREEN COUNTY FISCAL COURT

June 30, 2015

The Auditor of Public Accounts has completed the audit of the Green County Fiscal Court for fiscal year ended June 30, 2015.

We have issued an unmodified opinion, based on our audit on the Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Green County Fiscal Court. In accordance with OMB Circular A-133, we have issued an unmodified opinion on the compliance requirements that are applicable to Green County's major federal program: Community Development Block Grants/State's Program (CFDA #14.228).

Financial Condition:

The Green County Fiscal Court had total receipts of \$4,562,113 and disbursements of \$4,431,382 in fiscal year 2015. This resulted in a total ending fund balance of \$1,086,836, which is an increase of \$130,731 from the prior year.

Deposits:

The Fiscal Court deposits were insured and collateralized by bank securities or bonds.

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Matthew G. Bevin, Governor
William M. Landrum III, Secretary
Finance and Administration Cabinet
Honorable John H. Frank, Green County Judge/Executive
Members of the Green County Fiscal Court

Independent Auditor's Report

Report on the Financial Statement

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of Green County Fiscal Court, for the year ended June 30, 2015, and the related notes to the financial statement which collectively comprise the Green County Fiscal Court's financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Audit Guide for Fiscal Court Audits* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described more fully in Note 1 of the financial statement, the financial statement is prepared by Green County Fiscal Court on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Green County Fiscal Court as of June 30, 2015, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the fund balances of Green County Fiscal Court as of June 30, 2015, and their respective cash receipts and disbursements, and budgetary results for the year then ended, in accordance with the basis of accounting practices prescribed or permitted by the Department for Local Government described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of Green County Fiscal Court. The budgetary comparison schedules, capital asset schedule, and the schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations are presented for purposes of additional analysis and are not a required part of the financial statement, however they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. The accompanying budgetary comparison schedules, capital asset schedule, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules, capital asset schedule, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statement as a whole.

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 02, 2016 on our consideration of Green County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Green County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Mike Harmon", followed by a long horizontal line extending to the right.

Mike Harmon
Auditor of Public Accounts

February 02, 2016

GREEN COUNTY OFFICIALS

For The Year Ended June 30, 2015

Fiscal Court Members:

John H. Frank	County Judge/Executive
Tim Darnell	Magistrate
Charles Judd	Magistrate
Terry Aaron	Magistrate
Andrew Parson	Magistrate
Steve Lewis	Magistrate

Other Elected Officials:

Russell Goff	County Attorney
James (Buck) Henderson	Jailer
Billy Joe Lowe	County Clerk
Renita A. Mattingly	Circuit Court Clerk
Robert Beard	Sheriff
Sean Curry	Property Valuation Administrator
Georgia Ray	Coroner

Appointed Personnel:

Terri Talbott	County Treasurer
Debbie Bardin	Finance Officer

GREEN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS

For The Year Ended June 30, 2015

GREEN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS

For The Year Ended June 30, 2015

	Budgeted Funds		
	General Fund	Road Fund	Jail Fund
RECEIPTS			
Taxes	\$ 509,240	\$	\$
Excess Fees	65,551		
Licenses and Permits	57,878		
Intergovernmental	213,314	1,925,686	83,196
Charges for Services	265	24,386	
Miscellaneous	5,953		
Interest	382	932	33
Total Receipts	<u>852,583</u>	<u>1,951,004</u>	<u>83,229</u>
DISBURSEMENTS			
General Government	758,877	1,600	
Protection to Persons and Property	17,560		203,743
General Health and Sanitation	55,509	16,911	
Social Services	2,000		
Recreation and Culture	81		
Roads		1,407,366	
Debt Service			
Capital Projects		27,444	
Administration	96,378	165,891	9,776
Total Disbursements	<u>930,405</u>	<u>1,619,212</u>	<u>213,519</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(77,822)</u>	<u>331,792</u>	<u>(130,290)</u>
Other Adjustments to Cash (Uses)			
Transfers From Other Funds	198,478	19,966	135,000
Transfers To Other Funds	(179,966)	(198,478)	
Total Other Adjustments to Cash (Uses)	<u>18,512</u>	<u>(178,512)</u>	<u>135,000</u>
Net Change in Fund Balance	(59,310)	153,280	4,710
Fund Balance - Beginning	171,435	502,813	14,017
Fund Balance - Ending	<u>\$ 112,125</u>	<u>\$ 656,093</u>	<u>\$ 18,727</u>
Composition of Fund Balance			
Bank Balance	\$ 137,921	\$ 667,894	\$ 34,838
Plus: Deposits In Transit			
Less: Outstanding Checks	(25,796)	(11,801)	(16,111)
Fund Balance - Ending	<u>\$ 112,125</u>	<u>\$ 656,093</u>	<u>\$ 18,727</u>

The accompanying notes are an integral part of the financial statement.

GREEN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2015
(Continued)

Budgeted Funds					Unbudgeted Fund	
Local Government Economic Assistance Fund	Water Fund	Forest Fire Fund	Emergency 911 Fund	911 CMRS Fund	Green County Public Properties Corporation Fund	Total Funds
\$	\$	\$ 1,101	\$ 87,316	\$	\$	\$ 597,657
						65,551
						57,878
48,104	581,690			102,072	832,091	3,786,153
			12,500			37,151
9,922						15,875
291		1	5	204		1,848
58,317	581,690	1,102	99,821	102,276	832,091	4,562,113
3,578						764,055
28,018		1,086	125,248	60,882		436,537
7,580	581,690					661,690
						2,000
28,073						28,154
						1,407,366
					829,891	829,891
						27,444
					2,200	274,245
67,249	581,690	1,086	125,248	60,882	832,091	4,431,382
(8,932)		16	(25,427)	41,394		130,731
			25,000			378,444
						(378,444)
			25,000			
(8,932)		16	(427)	41,394		130,731
196,710	100	429	9,714	60,887		956,105
\$ 187,778	\$ 100	\$ 445	\$ 9,287	\$ 102,281	\$ 0	\$ 1,086,836
\$ 188,796	\$ 100	\$ 445	\$ 9,287	\$ 102,281	\$	\$ 1,141,562
(1,018)						(54,726)
\$ 187,778	\$ 100	\$ 445	\$ 9,287	\$ 102,281	\$ 0	\$ 1,086,836

The accompanying notes are an integral part of the financial statement.

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TO THE FINANCIAL STATEMENT**

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GREEN COUNTY
NOTES TO FINANCIAL STATEMENT

June 30, 2015

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Green County includes all budgeted and unbudgeted funds under the control of the Green County Fiscal Court. Budgeted funds included within the reporting entity are those funds presented in the county's approved annual budget and reported on the quarterly reports submitted to the Department for Local Government. Unbudgeted funds may include non-fiduciary financial activities, private purpose trust funds and internal service funds that are within the county's control. Unbudgeted funds may also include any corporation to act as the Fiscal Court in the acquisition and financing of any public project which may be undertaken by the Fiscal Court pursuant to the provisions of Kentucky law and thus accomplish a public purpose of the Fiscal Court. The unbudgeted funds are not presented in the annual approved budget or in the quarterly reports submitted to the Department for Local Government.

The following entity: Green County Park Board would have been included in the reporting entity under accounting principles generally accepted in the United State of America (GAAP) as established by the Government Accounting Standards Board. However under the regulatory basis they are no longer are required components of the reporting entity.

B. Basis of Accounting

The financial statement is presented on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board. This basis of accounting involves the reporting of fund balances and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) to meet the financial reporting requirements of the Department for Local Government and the laws of the Commonwealth of Kentucky.

This regulatory basis of accounting differs from GAAP primarily because the financial statement format does not include the GAAP presentations of government-wide and fund financial statements, cash receipts are recognized when received in cash rather than when earned and susceptible to accrual, and cash disbursements are recognized when paid rather than when incurred or subject to accrual.

Generally and except as otherwise provided by law, property taxes are assessed as of January 1, levied (mailed) November 1, due at discount November 30, due at face value December 31, delinquent January 1 following the assessment, and subject to sale ninety days following April 15.

C. Basis of Presentation

Budgeted Funds

The Fiscal Court reports the following budgeted funds:

General Fund - This is the primary operating fund of the Fiscal Court. It accounts for all financial resources of the general government, except where the Department for Local Government requires a separate fund or where management requires that a separate fund be used for some function.

GREEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

Road Fund - This fund is for road and bridge construction and repair. The primary sources of receipts for this fund are state payments for truck license distribution, municipal road aid, and transportation grants. The Department for Local Government requires the Fiscal Court to maintain these receipts and disbursements separately from the General Fund.

Jail Fund - The primary purpose of this fund is to account for housing prisoners in other counties and transportation of prisoners. The primary sources of receipts for this fund are reimbursements from the state and federal government and transfers from the General Fund. The Department for Local Government requires the Fiscal Court to maintain these receipts and disbursements separately from the General Fund.

Local Government Economic Assistance Fund - The primary purpose of this fund is to account for grants and related disbursements. The primary sources of receipts for this fund are grants from the state and federal governments. The Department for Local Government requires the Fiscal Court to maintain these receipts and disbursements separately from the General Fund.

Water Fund - The primary purpose of this fund is to account for grants and related disbursements. The primary source of receipts for this fund is a federal Community Development Block Grant (CDBG) obtained by the County for the purpose of constructing a new waste water treatment plant in conjunction with the City of Greensburg.

Forest Fire Fund - The primary purpose of this fund is to account for the collection and payment of property taxes collected for timberland acres located within Green County. The primary source of receipts for this fund is property taxes collected by the Green County Sheriff.

Emergency 911 Fund - The primary purpose of this fund is emergency dispatch services for the citizens of Green County. The primary source of receipts for this fund is the collection of 911 fees charged to local telephone service bills.

911 CMRS Fund - The primary purpose of this fund is to provide support to the City of Greensburg for the purchase of emergency 911 equipment. The primary source of receipts for this fund is wireless telephone 911 surcharges.

Unbudgeted Funds

The Fiscal Court reports the following unbudgeted funds:

Green County Public Properties Corporation Fund - The primary purpose of this fund is to account for the proceeds and debt service of revenue bonds that were issued to fund construction of public buildings.

GREEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Information

Annual budgets are adopted on a regulatory basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed disbursements to the Fiscal Court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the Fiscal Court by July 1.

The Fiscal Court may change the original budget by transferring appropriations at the activity level; however, the Fiscal Court may not increase the total budget without approval by the State Local Finance Officer. Disbursements may not exceed budgeted appropriations at the activity level.

The State Local Finance Officer does not require the Green County Public Properties Corporation Fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from this fund annually.

E. Green County Elected Officials

Kentucky law provides for election of the officials below from the geographic area constituting Green County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the Fiscal Court, various cities and special districts within the county, and the Board of Education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statement of Green County Fiscal Court.

- Circuit Court Clerk
- County Attorney
- Property Valuation Administrator
- County Clerk
- County Sheriff

F. Deposits and Investments

The government's fund balance is considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition. The government's fund balance includes cash and cash equivalents and investments.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

GREEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

G. Long-term Obligations

The fund financial statement recognizes bond interest, as well as bond issuance costs when received or when paid, during the current period. The principal amount of the debt and interest are reported as disbursements. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as disbursements. Debt proceeds are reported as other adjustments to cash.

Note 2. Deposits

The Fiscal Court maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk, but rather follows the requirements of KRS 41.240(4). As of June 30, 2015, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 3. Transfers

The table below shows the interfund operating transfers for fiscal year 2015.

	General Fund	Road Fund	Total Transfers In
General Fund	\$	\$ 198,478	\$ 198,478
Road Fund	19,966		19,966
Jail Fund	135,000		135,000
Emergency 911 Fund	25,000		25,000
Total Transfers Out	\$ 179,966	\$ 198,478	\$ 378,444

Reason for transfers:

To move resources from and to the General Fund and other funds, for budgetary purposes, to the funds that will expend them.

GREEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 4. Long-Term Debt

A. Public Properties Corporation Lease Revenue Bonds – Series 2008

On February 1, 2008, the Green County Public Properties Corporation, a component unit of the Green County Fiscal Court, issued \$11,545,000 in lease revenue bonds to provide financing for the acquisition of land and construction of the Green County Judicial Center. The bonds require annual principal payments starting on February 1, 2009 and semiannual interest payments on August 1 and February 1. The Green County Fiscal Court has a sublease with the Administrative Office of the Courts (AOC), Commonwealth of Kentucky, for approximately 100% of the Green County Judicial Center debt. Future debt service requirements are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2016	\$ 515,000	\$ 314,891
2017	530,000	298,797
2018	550,000	281,572
2019	565,000	262,873
2020	585,000	242,533
2021-2025	3,285,000	860,100
2026-2028	<u>2,295,000</u>	<u>186,000</u>
Totals	<u>\$ 8,325,000</u>	<u>\$ 2,446,766</u>

B. Changes In Long-term Debt

Long-term Debt activity for the year ended June 30, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue Bonds	\$ 8,825,000	\$	\$ 500,000	\$ 8,325,000	\$ 515,000
Total Long-term Debt	<u>\$ 8,825,000</u>	<u>\$ 0</u>	<u>\$ 500,000</u>	<u>\$ 8,325,000</u>	<u>\$ 515,000</u>

GREEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 5. Employee Retirement System

A. Plan Description

The Fiscal Court has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost sharing, multiple employer defined benefit pension plan that covers all eligible regular full-time members employed in non-hazardous positions in the county. The Plan provides for retirement, disability and death benefits to plan members. Retirement benefits may be extended to beneficiaries of the plan members under certain circumstances. Benefit contributions and provisions are established by statute.

Nonhazardous covered employees are required to contribute five percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008 are required to contribute six percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 17.67 percent.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on, or after, January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Members contribute five percent (nonhazardous) of their annual creditable compensation and one percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a four percent (nonhazardous) employer pay credit. The employer pay credit represents a portion of the employer contribution.

The county's contribution for FY 2013 was \$162,769, FY 2014 was \$166,547, and FY 2015 was \$135,744.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (member's age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

CERS also provides post retirement health care coverage as follows:

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

Years of Service	% paid by Insurance Fund	% Paid by Member through Payroll Deduction
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

GREEN COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 5. Employee Retirement System (Continued)

A. Plan Description (Continued)

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Kentucky Retirement Systems issues a publicly available annual financial report that includes financial statements and required supplementary information on CERS. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

B. Net Pension Liability

As promulgated by GASB Statements No. 67 and 68 the total pension liability for CERS was determined by an actuarial valuation as of June 30, 2014. The net pension liability for employers participating in CERS is as follows: non-hazardous \$3,244,377,000 and hazardous \$1,201,825,000, for a total net pension liability of \$4,446,202,000 as of June 30, 2014. Based on these requirements, KRS has determined that Green County's proportionate share of the net pension liability is \$1,175,000 for non-hazardous as of June 30, 2015. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at www.kyret.ky.gov or can be obtained as described in the paragraph above.

Note 6. Insurance

For the fiscal year ended June 30, 2015, Green County was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 7. Subsequent Events

On March 9, 2015, the Fiscal Court adopted a three percent insurance premium tax ordinance, effective July 1, 2015. This ordinance imposes a license fee or tax upon insurance companies of Green County and includes any insurance policy except for policies that are considered exempt per ordinance. The tax will be calculated on receipts collected on all policies that are not exempt on a quarterly basis and shall be due no later than thirty days after the end of each quarter. Exempt policies include: life insurance, health insurance, health savings account insurance, workers compensation, annuities, federal flood insurance, bonds, leases, and other debt instruments, federal crop insurance, agencies of the state, public service companies which pay ad valorem taxes, health maintenance organizations, captive insurer businesses, vehicle insurance policies of 38,000 lbs or greater, policies by any volunteer fire department, policies paid by the Green County Fiscal Court, and all policies which are exempt pursuant to KRS. 91A.080(10).

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GREEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2015

GREEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2015

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 519,000	\$ 519,000	\$ 509,240	\$ (9,760)
Excess Fees	51,000	51,000	65,551	14,551
Licenses and Permits	58,200	58,200	57,878	(322)
Intergovernmental	186,800	212,800	213,314	514
Charges for Services	1,000	1,000	265	(735)
Miscellaneous	26,000	26,000	5,953	(20,047)
Interest	500	500	382	(118)
Total Receipts	842,500	868,500	852,583	(15,917)
DISBURSEMENTS				
General Government	783,410	825,613	758,877	66,736
Protection to Persons and Property	33,250	33,330	17,560	15,770
General Health and Sanitation	52,625	60,875	55,509	5,366
Social Services	1,000	2,000	2,000	
Recreation and Culture	21,000	46,000	81	45,919
Administration	189,693	139,160	96,378	42,782
Total Disbursements	1,080,978	1,106,978	930,405	176,573
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(238,478)	(238,478)	(77,822)	160,656
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	198,478	198,478	198,478	
Transfers To Other Funds	(210,000)	(210,000)	(179,966)	30,034
Total Other Adjustments to Cash (Uses)	(11,522)	(11,522)	18,512	30,034
Net Change in Fund Balance	(250,000)	(250,000)	(59,310)	190,690
Fund Balance - Beginning	250,000	250,000	171,435	(78,565)
Fund Balance - Ending	\$ 0	\$ 0	\$ 112,125	\$ 112,125

GREEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,658,673	\$ 2,188,639	\$ 1,925,686	\$ (262,953)
Charges for Services	25,500	25,500	24,386	(1,114)
Miscellaneous	11,700	11,700		(11,700)
Interest	2,000	2,000	932	(1,068)
Total Receipts	<u>1,697,873</u>	<u>2,227,839</u>	<u>1,951,004</u>	<u>(276,835)</u>
DISBURSEMENTS				
General Government		1,600	1,600	
General Health and Sanitation	1,500	21,466	16,911	4,555
Roads	1,895,180	2,492,280	1,407,366	1,084,914
Capital Projects	160,000	160,000	27,444	132,556
Administration	442,715	354,015	165,891	188,124
Total Disbursements	<u>2,499,395</u>	<u>3,029,361</u>	<u>1,619,212</u>	<u>1,410,149</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(801,522)</u>	<u>(801,522)</u>	<u>331,792</u>	<u>1,133,314</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds			19,966	19,966
Transfers To Other Funds	(198,478)	(198,478)	(198,478)	
Total Other Adjustments to Cash (Uses)	<u>(198,478)</u>	<u>(198,478)</u>	<u>(178,512)</u>	<u>19,966</u>
Net Change in Fund Balance	(1,000,000)	(1,000,000)	153,280	1,153,280
Fund Balance - Beginning	<u>1,000,000</u>	<u>1,000,000</u>	<u>502,813</u>	<u>(497,187)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 656,093</u>	<u>\$ 656,093</u>

GREEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015
(Continued)

JAIL FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 92,600	\$ 92,600	\$ 83,196	\$ (9,404)
Miscellaneous	1,700	1,700		(1,700)
Interest	50	50	33	(17)
Total Receipts	94,350	94,350	83,229	(11,121)
DISBURSEMENTS				
Protection to Persons and Property	248,700	248,750	203,743	45,007
Administration	45,650	45,600	9,776	35,824
Total Disbursements	294,350	294,350	213,519	80,831
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(200,000)	(200,000)	(130,290)	69,710
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	185,000	185,000	135,000	(50,000)
Total Other Adjustments to Cash (Uses)	185,000	185,000	135,000	(50,000)
Net Change in Fund Balance	(15,000)	(15,000)	4,710	19,710
Fund Balance - Beginning	15,000	15,000	14,017	(983)
Fund Balance - Ending	\$ 0	\$ 0	\$ 18,727	\$ 18,727

GREEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts,</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 48,104	\$ (1,896)
Miscellaneous	1,910	1,910	9,922	8,012
Interest	250	250	291	41
Total Receipts	<u>52,160</u>	<u>52,160</u>	<u>58,317</u>	<u>6,157</u>
DISBURSEMENTS				
General Government	14,100	15,900	3,578	12,322
Protection to Persons and Property	49,000	60,000	28,018	31,982
General Health and Sanitation	9,000	10,000	7,580	2,420
Social Services	1,500	1,500		1,500
Recreation and Culture	23,000	29,800	28,073	1,727
Administration	150,560	129,960		129,960
Total Disbursements	<u>247,160</u>	<u>247,160</u>	<u>67,249</u>	<u>179,911</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(195,000)</u>	<u>(195,000)</u>	<u>(8,932)</u>	<u>186,068</u>
Net Change in Fund Balance	(195,000)	(195,000)	(8,932)	186,068
Fund Balance - Beginning	<u>195,000</u>	<u>195,000</u>	<u>196,710</u>	<u>1,710</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 187,778</u>	<u>\$ 187,778</u>

GREEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015
(Continued)

WATER FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 980,000	\$ 980,000	\$ 581,690	\$ (398,310)
Total Receipts	980,000	980,000	581,690	(398,310)
DISBURSEMENTS				
General Health and Sanitation	980,100	980,100	581,690	398,410
Total Disbursements	980,100	980,100	581,690	398,410
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(100)	(100)		100
Net Change in Fund Balance	(100)	(100)		100
Fund Balance - Beginning	100	100	100	
Fund Balance - Ending	\$ 0	\$ 0	\$ 100	\$ 100

GREEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015
(Continued)

FOREST FIRE FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 1,500	\$ 1,500	\$ 1,101	\$ (399)
Interest	3	3	1	(2)
Total Receipts	<u>1,503</u>	<u>1,503</u>	<u>1,102</u>	<u>(401)</u>
DISBURSEMENTS				
Protection to Persons and Property	1,933	1,933	1,086	847
Total Disbursements	<u>1,933</u>	<u>1,933</u>	<u>1,086</u>	<u>847</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(430)</u>	<u>(430)</u>	<u>16</u>	<u>446</u>
Net Change in Fund Balance	(430)	(430)	16	446
Fund Balance - Beginning	<u>430</u>	<u>430</u>	<u>429</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 445</u>	<u>\$ 445</u>

GREEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015
(Continued)

EMERGENCY 911 FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 95,000	\$ 95,000	\$ 87,316	\$ (7,684)
Charges for Services	12,400	12,400	12,500	100
Interest	20	20	5	(15)
Total Receipts	107,420	107,420	99,821	(7,599)
DISBURSEMENTS				
Protection to Persons and Property	140,000	140,000	125,248	14,752
Administration	1,420	1,420		1,420
Total Disbursements	141,420	141,420	125,248	16,172
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(34,000)	(34,000)	(25,427)	8,573
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	25,000	25,000	25,000	
Total Other Adjustments to Cash (Uses)	25,000	25,000	25,000	
Net Change in Fund Balance	(9,000)	(9,000)	(427)	8,573
Fund Balance - Beginning	9,000	9,000	9,714	714
Fund Balance - Ending	\$ 0	\$ 0	\$ 9,287	\$ 9,287

GREEN COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015
(Continued)

911 CMRS FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 95,000	\$ 95,000	\$ 102,072	\$ 7,072
Interest	75	75	204	129
Total Receipts	95,075	95,075	102,276	7,201
DISBURSEMENTS				
Protection to Persons and Property	125,075	125,075	60,882	64,193
Total Disbursements	125,075	125,075	60,882	64,193
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(30,000)	(30,000)	41,394	71,394
Net Change in Fund Balance	(30,000)	(30,000)	41,394	71,394
Fund Balance - Beginning	30,000	30,000	60,887	30,887
Fund Balance - Ending	\$ 0	\$ 0	\$ 102,281	\$ 102,281

GREEN COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2015

Note 1. Budgetary Information

Annual budgets are adopted on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed disbursements to the Fiscal Court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the Fiscal Court by July 1.

The Fiscal Court may change the original budget by transferring appropriations at the activity level; however, the Fiscal Court may not increase the total budget without approval by the State Local Finance Officer. Disbursements may not exceed budgeted appropriations at the activity level.

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GREEN COUNTY
SUPPLEMENTARY SCHEDULE
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015

GREEN COUNTY
SCHEDULE OF CAPITAL ASSETS
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015

The Fiscal Court reports the following schedule of capital assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 945,551	\$	\$	\$ 945,551
Buildings	12,036,345			12,036,345
Vehicles	459,348	30,000	(18,000)	471,348
Equipment	1,214,395			1,214,395
Infrastructure	4,772,513	654,540		5,427,053
 Total Capital Assets	 <u>\$ 19,428,152</u>	 <u>\$ 684,540</u>	 <u>\$ (18,000)</u>	 <u>\$ 20,094,692</u>

GREEN COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - SCHEDULE OF CAPITAL ASSETS

June 30, 2015

Note 1. Capital Assets

Capital assets, which include land, land improvements, buildings, furniture and office equipment, building improvements, machinery, equipment, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported as other information. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed.

	Capitalization Threshold	Useful Life (Years)
Land Improvements	\$ 25,000	40-50
Buildings and Building Improvements	\$ 25,000	40-50
Machinery and Equipment	\$ 10,000	7-30
Vehicles	\$ 5,000	5-15
Infrastructure	\$ 25,000	12-50

GREEN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2015

**GREEN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Fiscal Year Ended June 30, 2015

Federal Grantor CFDA #	Program Title	Pass-Through Grantor's Number	Expenditures	Provided to Subrecipient
<u>U.S. Department of Housing and Urban Development</u>				
<i>Passed-Through State Department for Local Government:</i>				
14.228	Community Development Block Grants/State's Program	12-034	* \$ 581,690	\$ 581,690
Total U.S. Department of Housing and Urban Development			<u>581,690</u>	<u>581,690</u>
<u>U.S. Department of Homeland Security</u>				
<i>Passed-Through State Department of Military Affairs:</i>				
97.042	Emergency Management Performance Grants	PON2 09514000003351	\$ 748	\$
		PON2 09515000006541	<u>2,740</u>	
Total U.S. Department of Homeland Security			<u>3,488</u>	
Total Expenditures of Federal Awards			<u>\$ 585,178</u>	<u>\$ 581,690</u>

*Tested as Major Program

GREEN COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2015

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Green County, Kentucky and is presented on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 2 - Determination of Major Programs

A Type A program for the Fiscal Court is any program for which total expenditures of federal awards exceed \$300,000 for fiscal year 2015 or were deemed high risk. There was one Type A program. The major type program tested was:

Community Development Block Grants/State's Program (CFDA #14.228)

Note 3 - Subrecipients

The federal expenditures for the U.S. Department of Housing and Urban Development – Community Development Block Grants/State's Program include funds transferred to the following subrecipients:

<u>Subrecipient</u>	<u>CFDA Number</u>	<u>Pass-Through Grant Amount</u>
City of Greensburg	14.228	\$ 581,690

Note 4 - Noncash Assistance

There were no noncash expenditures of federal awards for fiscal year 2015

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable John H. Frank, Green County Judge/Executive
Members of the Green County Fiscal Court

**Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards**

Independent Auditor's Report

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Green County Fiscal Court for the fiscal year ended June 30, 2015 and the related notes to the financial statement which collectively comprise the Green County Fiscal Court's financial statement and have issued our report thereon dated February 02, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Green County Fiscal Court's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Green County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Green County Fiscal Court's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards
(Continued)

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Green County Fiscal Court's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mike H', with a long horizontal line extending to the right.

Mike Harmon
Auditor of Public Accounts

February 02, 2016

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable John H. Frank, Green County Judge/Executive
Members of the Green County Fiscal Court

**Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With OMB Circular A-133**

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

We have audited Green County Fiscal Court's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Green County Fiscal Court's major federal programs for the year ended June 30, 2015. Green County Fiscal Court's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Green County Fiscal Court's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Green County Fiscal Court's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Green County Fiscal Court's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, Green County Fiscal Court complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.



Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With OMB Circular A-133
(Continued)

Report on Internal Control over Compliance

Management of Green County Fiscal Court is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Green County Fiscal Court's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Green County Fiscal Court's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Harmon", followed by a horizontal line.

Mike Harmon
Auditor of Public Accounts

February 02, 2016

GREEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2015

GREEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 2015

Section I: Summary of Auditor's Results

Financial Statement

Type of auditor's report issued: *Unmodified opinion*

Internal control over financial reporting:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Is any noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Type of auditor's report issued on compliance for major programs: *Unmodified opinion*

Internal control over major programs:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Are any audit findings disclosed that are required to be reported in accordance with U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, Section .510(a) ?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of major programs:

CFDA Numbers and Name of Federal Program or Cluster

#14.228 Community Development Block Grants/State's Program
--

Enter the dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Is the auditee qualified as a low-risk auditee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

GREEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2015
(Continued)

Section II: Findings - Financial Statement Audit

None

Section III: Findings And Questioned Costs - Major Federal Awards Program Audit

None

Section IV: Summary Schedule of Prior Audit Findings

None

**CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

GREEN COUNTY FISCAL COURT

**For The Fiscal Year Ended
June 30, 2015**


CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE
GREEN COUNTY FISCAL COURT

For The Fiscal Year Ended June 30, 2015

The Green County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



County Judge/Executive



County Treasurer

